

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 29, 2004

	February-04				January-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
LA Capital	57,529,808	4.4%	4.5%	1.20%	57,549,361	4.4%	4.5%	1.65%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	21,738	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	57,551,545	4.4%	4.5%	1.20%	57,549,361	4.4%	4.5%	1.65%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	6.61%	19.64%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				0.64%				2.04%				10.41%				3.92%	17.82%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																				
LSV	60,716,789	4.6%	4.5%	3.23%	64,007,693	4.9%	4.5%	2.59%	62,431,391	4.9%	4.5%	15.58%	54,142,627	4.6%	4.5%	3.33%	26.48%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				2.14%				1.76%				14.19%				2.06%	21.13%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																				
LA Capital	60,458,569	4.6%	4.5%	-0.08%	59,703,307	4.6%	4.5%	1.91%	58,574,591	4.6%	4.5%	11.77%	52,397,265	4.5%	4.5%	2.87%	17.08%	1.08%	N/A	N/A
<i>Russell 1000</i>				1.39%				1.90%				12.26%				3.00%	19.46%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																				
Northern Trust	57,367,522	4.4%	4.5%	1.34%	56,586,492	4.4%	4.5%	2.06%	55,434,137	4.4%	4.5%	12.40%	49,310,551	4.2%	4.5%	2.50%	19.15%	0.28%	N/A	N/A
Strong	59,434,227	4.5%	4.5%	1.87%	58,180,682	4.5%	4.5%	1.95%	57,156,326	4.5%	4.5%	12.76%	50,694,242	4.3%	4.5%	2.89%	20.49%	3.30%	N/A	N/A
Westridge	62,416,552	4.8%	4.5%	1.42%	61,478,661	4.7%	4.5%	1.85%	60,396,621	4.7%	4.5%	12.22%	53,820,227	4.6%	4.5%	2.65%	18.99%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	179,218,300	13.7%	13.5%	1.54%	176,245,835	13.6%	13.5%	1.95%	172,987,083	13.6%	13.5%	12.46%	153,825,020	13.1%	13.5%	2.68%	19.53%	1.35%	N/A	N/A
<i>S&P 500</i>				1.39%				1.84%				12.18%				2.64%	18.89%	0.24%	N/A	N/A
<i>S&P 500 Index</i>																				
State Street	40,502,791	3.1%	3.0%	1.39%	39,915,730	3.1%	3.0%	1.83%	39,199,011	3.1%	3.0%	12.16%	34,944,955	3.0%	3.0%	2.64%	18.86%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				1.39%				1.84%				12.18%				2.64%	18.89%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	398,447,995	30.4%	30.0%	1.51%	397,421,926	30.6%	30.0%	1.99%	389,788,370	30.6%	30.0%	12.31%	347,148,586	29.7%	30.0%	3.02%	19.78%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				1.39%				1.84%				12.18%				2.64%	18.89%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	137,938,798	10.5%	10.0%	0.51%	142,287,337	11.0%	10.0%	4.64%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	32.52%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				1.06%				4.51%				15.07%				9.60%	33.21%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	137,938,798	10.5%	10.0%	0.51%	142,287,337	11.0%	10.0%	4.64%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	32.52%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				0.90%				4.34%				14.52%				9.07%	31.51%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																				
<i>Large Cap - Core</i>																				
State Street	27,807,758	2.1%	2.0%	2.29%	29,528,957	2.3%	2.0%	1.71%	29,040,623	2.3%	2.0%	14.32%	25,214,812	2.2%	2.0%	6.08%	26.16%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				2.35%				1.37%				13.15%				6.58%	25.12%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																				
Capital Guardian	71,532,352	5.4%	5.0%	2.13%	71,022,711	5.5%	5.0%	1.45%	70,169,475	5.5%	5.0%	13.62%	61,325,566	5.2%	5.0%	7.45%	26.48%	-11.30%	-14.96%	0.47%
Bank of Ireland	14,057,357	1.1%	1.0%	1.82%	14,012,072	1.1%	1.0%	1.47%	13,799,845	1.1%	1.0%	17.43%	11,668,820	1.0%	1.0%	2.64%	24.53%	-10.28%	N/A	N/A
Total Large Cap - Active	85,589,709	6.5%	6.0%	2.08%	85,034,783	6.5%	6.0%	1.45%	83,969,319	6.6%	6.0%	14.22%	72,994,387	6.2%	6.0%	6.65%	26.16%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				2.35%				1.37%				13.15%				6.58%	25.12%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																				
Lazard	14,662,111	1.1%	1.0%	3.44%	14,395,301	1.1%	1.0%	3.24%	13,934,493	1.1%	1.0%	14.41%	13,370,769	1.1%	1.0%	10.66%	35.20%	-2.32%	N/A	N/A
Wellington	14,464,949	1.1%	1.0%	2.83%	14,289,232	1.1%	1.0%	2.63%	13,909,184	1.1%	1.0%	11.59%	14,027,503	1.2%	1.0%	17.22%	38.03%	5.97%	N/A	N/A
Total Small Cap - Active	29,127,059	2.2%	2.0%	3.13%	28,684,533	2.2%	2.0%	2.93%	27,843,677	2.2%	2.0%	12.90%	27,398,271	2.3%	2.0%	13.94%	36.56%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				2.90%				4.20%				13.31%				15.95%	40.87%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	142,524,526	10.9%	10.0%	2.33%	143,248,274	11.0%	10.0%	1.80%	140,853,620	11.1%	10.0%	13.97%	125,607,470	10.7%	10.0%	8.04%	28.27%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				2.35%				1.37%				13.15%				6.58%	25.12%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																				
Capital Guardian	77,635,773	5.9%	5.0%	2.98%	75,389,230	5.8%	5.0%	4.37%	72,232,247	5.7%	5.0%	14.85%	66,631,691	5.7%	5.0%	14.62%	41.48%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				4.61%				3.55%				17.81%				14.23%	45.77%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	36,287,126	2.8%	3.2%	1.06%	35,699,322	2.7%	3.2%	0.92%	35,371,780	2.8%	3.2%	1.24%	34,417,610	2.9%	3.1%	-0.47%	2.77%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				1.08%				0.80%				0.32%				-0.15%	2.07%	10.39%	10.07%	7.54%
<i>Active Duration</i>																				
WestAM (Criterion)	35,481,539	2.7%	3.2%	1.00%	34,909,568	2.7%	3.2%	0.77%	34,671,173	2.7%	3.2%	0.31%	34,018,566	2.9%	3.1%	-0.40%	1.69%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				1.08%				0.80%				0.32%				-0.15%	2.07%	10.39%	10.07%	7.54%
<i>Index</i>																				
Bank of ND	62,577,257	4.8%	5.0%	1.17%	54,972,982	4.2%	5.0%	0.88%	54,493,573	4.3%	4.9%	-0.10%	54,655,238	4.7%	4.8%	-0.73%	1.20%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	12,860,233	1.0%	1.0%	0.45%	13,604,709	1.0%	1.0%	0.00%	13,540,670	1.1%	1.1%	1.41%	13,516,361	1.2%	1.2%	1.43%	3.32%	5.83%	5.84%	5.85%
Total Index	75,437,491	5.7%	6.0%	1.01%	68,577,690	5.3%	6.0%	0.68%	68,034,243	5.3%	6.0%	0.23%	68,171,600	5.8%	6.0%	-0.21%	1.72%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				1.22%				0.91%				-0.03%				-0.50%	1.60%	13.15%	10.82%	7.83%

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	Allocation		Month		Allocation		Month		Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
Convertibles																				
TCW	39,697,433	3.0%	3.2%	0.78%	39,155,908	3.0%	3.2%	2.15%	38,305,398	3.0%	3.2%	10.00%	35,017,988	3.0%	3.1%	1.84%	15.32%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				1.11%				2.01%				8.54%				2.67%	14.94%	15.35%	-3.81%	N/A
BBB Average Quality																				
Strong	36,081,388	2.7%	3.2%	1.20%	35,472,528	2.7%	3.2%	1.12%	35,035,789	2.8%	3.2%	1.47%	34,720,841	3.0%	3.1%	0.16%	4.00%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				1.27%				1.13%				1.22%				0.27%	3.95%	18.33%	9.91%	N/A
Timberland																				
Evergreen (Wachovia)	69,653,990	5.3%	5.3%	-0.05%	69,206,355	5.3%	5.3%	2.06%	67,777,483	5.3%	5.3%	6.11%	64,138,631	5.5%	5.5%	-0.15%	8.08%	12.50%	N/A	N/A
																		N/A	N/A	
TOTAL DOMESTIC FIXED INCOME	292,638,966	22.3%	24.0%	0.75%	283,021,371	21.8%	24.0%	1.31%	279,195,865	21.9%	24.0%	3.16%	270,485,236	23.1%	24.0%	0.11%	5.41%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				1.08%				0.80%				0.32%				-0.15%	2.07%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																				
Western Asset	65,406,412	5.0%	5.0%	-0.29%	65,598,592	5.1%	5.0%	0.99%	64,957,984	5.1%	5.0%	5.54%	61,549,306	5.3%	5.0%	1.99%	8.38%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				-0.25%				1.91%				5.91%				2.77%	10.65%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																				
International Sovereign																				
UBS Global (Brinson)	30,892,048	2.4%	2.5%	-0.23%	30,983,252	2.4%	2.5%	0.01%	30,970,189	2.4%	2.5%	6.49%	27,027,414	2.3%	2.5%	3.18%	9.64%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.11%				0.12%				6.71%				2.75%	9.65%	17.91%	8.10%	6.29%
International Core																				
Brandywine	31,611,147	2.4%	2.5%	1.52%	31,173,610	2.4%	2.5%	-0.57%	31,323,368	2.5%	2.5%	7.30%	26,451,362	2.3%	2.5%	1.51%	9.95%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				0.12%				0.08%				6.77%				2.76%	9.94%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	62,503,194	4.8%	5.0%	0.64%	62,156,862	4.8%	5.0%	-0.28%	62,293,557	4.9%	5.0%	6.91%	53,478,776	4.6%	5.0%	2.34%	9.81%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.11%				0.12%				6.71%				2.75%	9.65%	17.91%	8.10%	6.29%
REAL ESTATE																				
JMB	15,971			-5.56%	16,912			0.00%	16,912			12.83%	26,405			-8.75%	-2.77%	-18.62%	-5.76%	0.42%
INVESCO	32,941,262			0.22%	32,869,479			0.12%	32,830,521			2.16%	25,898,627			0.37%	2.89%	8.15%	8.00%	7.69%
J.P. Morgan	32,973,380			0.71%	32,739,592			0.49%	32,580,709			3.16%	31,584,102			2.43%	6.93%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	65,930,613	5.0%	5.0%	0.45%	65,625,983	5.1%	5.0%	0.29%	65,428,141	5.1%	5.0%	2.63%	57,509,135	4.9%	5.0%	1.36%	4.79%	7.97%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				0.91%				0.91%				2.76%				1.97%	6.70%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																				
Brinson IVCF II	196,695			0.00%	197,975			0.00%	199,179			11.72%	275,245			-0.23%	11.46%	-7.44%	-23.62%	10.02%
Coral Partners II	118,546			0.00%	118,546			0.00%	115,719			2.23%	167,358			9.73%	12.18%	10.56%	-36.34%	-15.79%
Coral Partners V	10,233,294			0.00%	10,469,846			0.00%	10,466,835			-1.26%	10,093,446			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	732,468			0.00%	942,239			0.00%	520,734			-0.95%	525,087			-15.67%	-16.47%	-28.36%	N/A	N/A
Coral Partners VI	2,717,051			0.00%	2,720,921			0.00%	1,568,769			-4.63%	1,642,935			-12.18%	-16.25%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,781,152			0.00%	1,783,689			0.00%	1,783,176			2.36%	1,842,152			4.07%	6.53%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,278,513			0.00%	2,393,015			0.00%	2,392,327			4.99%	2,275,838			0.98%	6.02%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,063,679			0.00%	4,069,467			0.00%	4,068,297			2.47%	3,659,166			0.67%	3.15%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,574,564			0.00%	1,576,807			0.00%	1,246,887			-1.11%	1,259,372			0.43%	-0.68%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	1,106,835			0.00%	843,521			0.00%	843,278			-1.16%	852,192			12.21%	10.91%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	82,307			0.00%	82,424			0.00%	82,400			-0.24%	82,498			-3.58%	-3.81%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,143,445			0.00%	1,145,074			0.00%	1,144,744			5.58%	1,246,189			6.32%	12.25%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,541,422			0.00%	1,543,617			0.00%	1,543,173			0.52%	1,533,423			2.82%	3.35%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	847,333			0.00%	848,540			0.00%	848,296			1.18%	837,408			7.50%	8.77%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,283,598			0.00%	1,285,426			0.00%	1,285,056			0.96%	1,158,626			3.71%	4.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	219,040			0.00%	219,352			0.00%	219,289			0.05%	75,361			-0.05%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	6,715,843			0.00%	6,725,408			0.00%	5,866,060			-3.67%	6,082,204			-1.02%	-4.65%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,609,113			0.00%	13,185,532			0.00%	13,740,120			10.99%	12,364,863			0.00%	10.99%	N/A	N/A	N/A
InvestAmerica	1,737,873			0.00%	1,740,349			0.00%	1,739,848			0.00%	1,737,784			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	1,971,681			0.00%	1,974,489			0.00%	1,973,922			15.36%	2,348,807			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	5,048,855			0.00%	4,585,681			0.00%	4,988,857			0.00%	293,462			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	58,003,305	4.4%	5.0%	0.00%	58,451,917	4.5%	5.0%	0.00%	56,636,966	4.4%	5.0%	3.18%	50,353,415	4.3%	5.0%	-0.91%	2.25%	-9.65%	-13.02%	0.04%
CASH EQUIVALENTS																				
Northern Trust STIF/STEP	11,556,787	0.9%	1.0%	0.07%	5,658,080	0.4%	1.0%	0.15%	6,680,284	0.5%	1.0%	0.32%	14,952,391	1.3%	1.0%	0.35%	0.90%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.07%				0.08%				0.26%				0.25%	0.66%	1.52%	3.33%	4.07%
TOTAL FUND	1,312,586,368	100.0%	100.0%	1.15%	1,298,859,572	100.0%	100.0%	1.89%	1,274,015,774	100.0%	100.0%	9.11%	1,170,484,789	100.0%	100.0%	3.84%	16.77%	5.46%	-1.91%	2.68%
POLICY TARGET BENCHMARK				1.26%				1.64%				8.24%				3.39%	15.18%	4.63%	-2.62%	2.52%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.